APPENDIX I.

[Vide answer to starred question No. 1099 asked by Sri K. C. Gopalan Unni at the meeting of the Legislative Assembly held on 5th March 1955, page 543 supra.]

(a) & (b) Sri C. P. Karunakara Menon and three others offered to take up the management of the Metal Industries, Limited, if the Government agreed to the following requests :—

(1) that a period of three years may be given to them for the repayment of arrears of the instalments of loan due to Government up to 31st March 1954 and the repayment of the loan spread over a period of 20 years;

(2) that the Government should waive all penal interest;

(3) that the Government should either be prepared jointly to hold the company's assets as first charge with the Industrial Finance Corporation or the Madras Industrial Investment Corporation, Limited, to which they may apply for a loan of Rs. 50,000 or Rs. 1 lakh or they might sanction an additional of Rs. 50,000 or that they might take shares or guarantee an overdraft of Rs. 50,000;

(4) that the Government should issue a Press Release stating that the Government are still interested in the advancement of the company and that they are prepared to consider sympathetically all reasonable proposals for the prosperity of the company; and

(5) that the land acquisition costs amounting to nearly Rs. 25,000 may be met by the Government and added to the existing loan.

The Government considered that the financial condition of the Metal Industries, Limited, could not be rectified and that there was no likelihood of its running successfully as a business concern under the proposals submitted to them. It was also not possible for the Government to grant further financial assistance under the provisions of the State Aid to Industries Act. The requests have not therefore been granted.

Another party offered to take over the company and run the factory subject to the following conditions :—

(1) that the company should be freed from all other charges and debts, secured and unsecured, except the Government loans;

(2) that he should be allowed a period of ten years to repay the Government loan; and

(3) that the company should become his absolute property after the Government loan is repaid.

This was not examined as it was not worthy of consideration.